Proposal to Establish Voluntary Self Effectuating Enforcement Mechanisms

FCC discussion

Self Effectuating Enforcement Mechanisms Desired Characteristics

- Not applied until after 271 approval in a specific state
- Designed to prevent BST "backsliding" on CLEC service
- Legally binding (implement through contracts)
- Enforcement mechanisms will be "Meaningful" and "Significant"
- Limited number of measurements
- Statistical or "bright line" test to easily verify "parity"
- CLECs retain rights to file complaints with PSC or FCC

Self Effectuating Enforcement Mechanisms Proposal

- 9 key measures of timeliness or quality
- Each measure is tested vs. a retail analog
- Initial parity tests will be for "materiality", until a method for statistical validation is established
- Two product groups will be initially offered as subcategories (**Retail** (including UNE loop+port combinations), and **UNEs**)
- Enforcement mechanisms are derived from the concept of liquidated damages, and the contractual mechanisms established with the IXCs over the past 15 years

Self Effectuating Enforcement Mechanisms Proposal

- Enforcement mechanisms are "triggered" by a parity miss in any of the 14 separate subcategories of the nine measurements. These measurements are made at the state level to test for overall parity for all CLECs doing business in that subcategory.
- Once the penalty is "triggered", payments are made to each CLEC based on their activity in that particular subcategory.

Self Effectuating Enforcement Mechanisms Proposal

- EXAMPLE:
  - The parity test for Installation Timeliness (% Due Dates Missed) fails for Georgia for the month of October in the subcategory RESALE & COMBOS (BST results = 10.79%, CLEC results = 12.50%)
  - All CLECs in Georgia having any missed appointments in this category would receive a payment of ($38 * their number of missed appointments). (The $38 figure approximates the aggregate NRC for this group of services)

Self Effectuating Enforcement Mechanisms
Proposal Details

CATEGORY	METRIC	SUBCATEGORY	PARITY DETERMINATION	Materiality Test	Enforcement Payment
INSTALLATION					NRC=Non Recurring Charge
					RC=Recurring Charge
Installation Timeliness (State)	% DD Missed	RESALE UNE	RA RA	1% variance **1% Variance from (retail-res/bus dispatch)**	Resale NRC * Missed Appts UNE NRC * Missed Appts
Installation Quality (State)	% Report w/in 4 days	RESALE UNE	RA RA	1% variance **1% Variance from (retail-res/bus dispatch)**	50% monthly Resale RC* # of reports 50% monthly UNE RC* # of reports
MAINTENANCE					
Repair Timeliness (State)	% Missed Repair Appts	RESALE UNE	RA RA	1% variance **1% variance from (retail res/bus dispatch)**	50% monthly Resale RC* # of reports 50% monthly UNE RC* # of reports
Repair Quality (State)	Repeated report rate	RESALE UNE	RA RA	1% variance **1% variance from (retail-res/bus-dispatch)**	50% monthly Resale RC* # of reports 50% monthly UNE RC* # of reports

Self Effectuating Enforcement Mechanisms
Proposal Details

BILLING					
Billing (Regional)	Usage Timeliness		RA	1 day variance	>1 day = 25% * monthly ODUF/ADUF billing
(Regional)	Invoice Timeliness	RESALE (CRIS) UNE (CRIS UNE + CABS)	RA RA	1 day variance 1 day variance	.000493 * total monthly bill for each 1 day out of parity (18% / yr)
OTHER					
OSS (Regional)	Pre-ordering and ordering OSS Availability		RA	1% difference aggregated across access to all systems	Credit for 5% of total order volume at a rate of $20/per order handled for each 1% disparity in access.
Collocation (individual case)	% DD Missed		BENCHMARK	No Due dates missed	5% percent * NRC / week beyond Due Date, capped at 25%
Trunking (State)	Trunk Blockage		RA	Any 2 hours month >0.5 difference in aggregate blockage	Any 2 hours/ month > 0.5% difference triggers an increase in Reciprocal Compensation Usage payments based on the difference in actual blockage for the hours "missed"

Comparison of ILEC Measurement/Penalty proposals

COMPANY NAME	NUMBER OF MEASUREMENTS					PENALTY STRUCTURE	PENALTY DISTRIBUTION	COMMENTS
	PROCESS MSMTS.	PENALTY Y/N	OUTCOME MSMTS.	PENALTY Y/N	TOTAL MSMTS. With PENALTIES			
BellSouth	0	N	14	Y	14	Aggregate Trigger CLEC specific payments; RA	CLECs	Materiality Adjusted jackknife monthly
Nevada Bell	21x	Y	13x	Y	39	RA & benchmarks NRC& RC @ tier	PSC (fines) CLECs	z-test benchmarks monthly
Bell Atlantic / NYNEX	18	Y	22	Y	40	CLEC Specific & aggregate	CLECs - "market adjustments	weighted z scores quarterly
Pacific Bell/SBC	17	Y	48	Y	65	CLEC specific	CLECs	z-test benchmarks
Ameritech	5x	Y	13x	Y	18x	CLEC specific RA & Benchmarks NRC & RC	CLECs	z score multi-level analysis quarterly

x - Actual # of measurements is driven by product disaggregation.

Self Effectuating Enforcement Mechanisms Summary

- BellSouth's proposal meets all the criteria discussed in our previous meetings
  - "Meaningful" and "Significant"
  - Limited number of measurements
  - Outcome oriented rather than process oriented
  - Statistical or "bright line" test to easily verify "parity"
- The proposed measures demonstrate parity for all CLECs as a whole - the ultimate goal of the process, but compensate individual CLECs for parity failures
- The proposed measures are simpler and present a more understandable picture of the effect on a CLEC's customer than those enacted or proposed by other ILECs

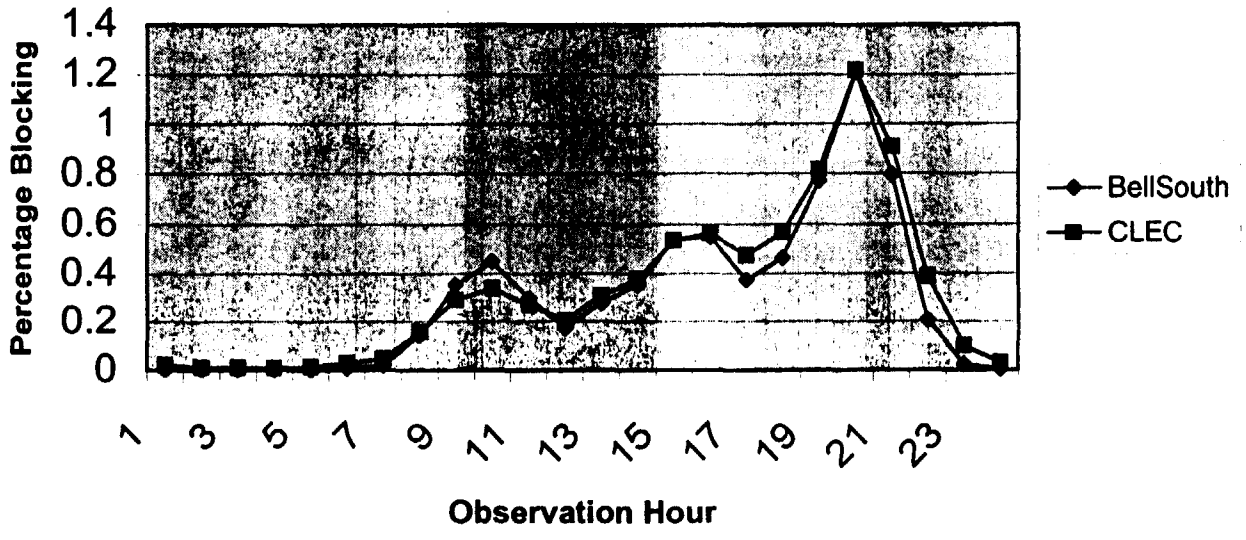
Trunk Group Performance

Report Period: 12/21/98 - 01/11/99

	Total TKGR	Weighted blocking percentage by hour																							
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
AL																									
BST	966	0.0019	0.0016	0.0018	0.0012	0.0007	0.0089	0.0224	0.1431	0.3548	0.45	0.2988	0.1736	0.2797	0.3549	0.5365	0.5487	0.3732	0.4644	0.7729	1.2096	0.7957	0.2049	0.025	0.0034
CLEC	705	0.0225	0.0114	0.0098	0.0097	0.0138	0.0294	0.0483	0.1579	0.2925	0.3407	0.2725	0.2054	0.3091	0.3781	0.5345	0.5649	0.4727	0.5655	0.815	1.2178	0.9092	0.3868	0.0996	0.0291
X_{BST}-X_{CLEC}		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	0.0	0.0	-0.1	-0.2	-0.1	0.0
GA																									
BST	3350	0.0354	0.0247	0.0245	0.0153	0.0149	0.0227	0.0377	0.0989	0.3717	0.6308	0.5726	0.3252	0.4058	0.63	0.829	0.9396	0.5258	0.4735	0.7512	1.0431	0.982	0.5469	0.1279	0.0484
CLEC	1670	0.055	0.0355	0.0336	0.018	0.0174	0.0274	0.0589	0.1413	0.3371	0.5141	0.4958	0.3434	0.3886	0.5494	0.719	0.9262	0.6407	0.544	0.717	0.9511	0.96	0.5666	0.2158	0.0885
X_{BST}-X_{CLEC}		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.1	0.1	0.0	-0.1	-0.1	0.0	0.1	0.0	0.0	-0.1	0.0
KY																									
BST	460	0.013	0.0063	0.0019	0.0011	0.0003	0.0018	0.0083	0.0421	0.124	0.1999	0.1869	0.1137	0.152	0.1856	0.2551	0.298	0.2735	0.3037	0.3904	0.4469	0.2717	0.1057	0.0452	0.0126
CLEC	388	0.0223	0.0127	0.0105	0.0115	0.0116	0.0088	0.0101	0.0772	0.1816	0.2436	0.2521	0.212	0.3029	0.3905	0.5029	0.5491	0.4885	0.6725	1.0691	1.2176	1.2131	0.6761	0.3238	0.0256
X_{BST}-X_{CLEC}		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	-0.1	-0.1	-0.2	-0.2	-0.2	-0.3	-0.2	-0.4	-0.7	-0.8	-0.9	-0.6	-0.3	0.0
LA																									
BST	1265	0.0021	0.0019	0.0007	0.0008	0.001	0.0184	0.0866	0.2585	0.2962	0.3671	0.2988	0.2873	0.2811	0.3493	0.4558	0.458	0.3409	0.4219	0.5669	0.7668	0.7013	0.3164	0.0703	0.004
CLEC	898	0.0037	0.002	0.0003	0.0003	0.0005	0.011	0.1115	0.3444	0.3528	0.3415	0.2929	0.357	0.3011	0.3241	0.3529	0.4538	0.5161	0.5745	0.7164	0.79	0.7236	0.5694	0.1965	0.0191
X_{BST}-X_{CLEC}		0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	0.0	0.0	-0.1	0.0	0.0	0.1	0.0	-0.2	-0.2	-0.1	0.0	0.0	-0.3	-0.1	0.0
MS																									
BST	642	0	6E-05	9E-05	0.0001	0.0001	0.0013	0.0021	0.0091	0.0439	0.0297	0.033	0.0101	0.0175	0.0303	0.0467	0.0348	0.043	0.0466	0.0751	0.1554	0.0549	0.004	0.0003	0.0001
CLEC	622	0	6E-05	9E-05	0.0001	0.0001	0.0013	0.002	0.0089	0.0441	0.0298	0.033	0.0101	0.0174	0.0308	0.0509	0.0667	0.0754	0.1195	0.2142	0.3594	0.2834	0.1569	0.0217	0.0004
X_{BST}-X_{CLEC}		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.2	-0.2	-0.2	0.0	0.0
NC																									
BST	981	0	9E-05	0	0	0	0.0003	0.0003	0.0743	0.0882	0.1404	0.1133	0.0444	0.0541	0.0963	0.1789	0.3821	0.1148	0.1288	0.3071	0.6862	0.5619	0.1442	0.0586	6E-05
CLEC	842	0	0.0895	0	0	0	0	0	0.0831	0.2068	0.3119	0.2519	0.3069	0.1577	0.3875	0.3216	0.502	0.3131	0.3052	0.5252	0.8948	0.8785	0.3812	0.1872	0
X_{BST}-X_{CLEC}		0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.2	-0.1	-0.3	-0.1	-0.3	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.3	-0.2	-0.1	0.0
NF																									
BST	822	0.0006	0.0008	0.0008	0.0009	0.0008	0.0009	0.0021	0.0205	0.1102	0.2269	0.2066	0.0877	0.1206	0.1966	0.385	0.5524	0.2838	0.4065	0.9043	1.0878	0.5793	0.073	0.0125	0.0014
CLEC	632	0.0461	0.0141	0.0076	0.0112	0.0215	0.0332	0.0876	0.2133	0.2765	0.3797	0.3744	0.3008	0.3259	0.4182	0.5861	0.7035	0.543	0.6178	0.9199	1.0771	1.0546	0.581	0.321	0.1441
X_{BST}-X_{CLEC}		0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3	-0.2	0.0	0.0	-0.5	-0.5	-0.3	-0.1
SC																									
BST	532	0.0027	0.0035	0.0042	0.0035	0.0023	0.0045	0.0092	0.0081	0.0208	0.1434	0.127	0.0282	0.0456	0.106	0.3572	0.7767	0.1014	0.1454	0.5954	0.9369	0.6692	0.2285	0.0031	0.003
CLEC	382	0.0022	0.005	0.0245	0.0029	0.0021	0.005	0.0101	0.0102	0.005	0.0211	0.0124	0.0123	0.0251	0.0084	0.0262	0.1075	0.0388	0.0287	0.0398	0.0744	0.0554	0.005	0.0007	0.0019
X_{BST}-X_{CLEC}		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.1	0.3	0.7	0.1	0.1	0.6	0.9	0.6	0.2	0.0	0.0
SF																									
BST	821	0.0006	0.0004	0.0007	0.0009	0.0007	0.0013	0.0036	0.0189	0.2203	0.5198	0.4781	0.2418	0.2177	0.3231	0.5552	0.7208	0.3347	0.3343	0.5535	0.7769	0.5495	0.1809	0.0128	0.0077
CLEC	473	0.0074	0.0015	0.001	0.0003	0.0003	0.0043	0.0237	0.125	0.648	1.0277	0.9843	0.6928	0.6773	0.8602	1.1203	1.4266	1.0143	1.0305	1.544	1.8963	1.7154	1.1063	0.2509	0.0308
X_{BST}-X_{CLEC}		0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.4	-0.5	-0.5	-0.5	-0.5	-0.5	-0.6	-0.7	-0.7	-0.7	-1.0	-1.1	-1.2	-0.9	-0.2	0.0
TN																									
BST	1392	0.0048	0.0003	0.0002	0.0004	0.002	0.0103	0.0394	0.0779	0.3617	0.5239	0.3755	0.1935	0.3132	0.419	0.6104	0.5772	0.4231	0.5954	0.8306	1.0797	0.6687	0.1809	0.0743	0.0255
CLEC	1026	0.0232	0.021	0.0156	0.0137	0.0069	0.0115	0.0227	0.0924	0.2849	0.3941	0.2922	0.1719	0.2702	0.3596	0.5148	0.5033	0.4599	0.5746	0.7397	0.9784	0.557	0.1328	0.0574	0.033
X_{BST}-X_{CLEC}		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.0

Weighted Average Trunk Blocking

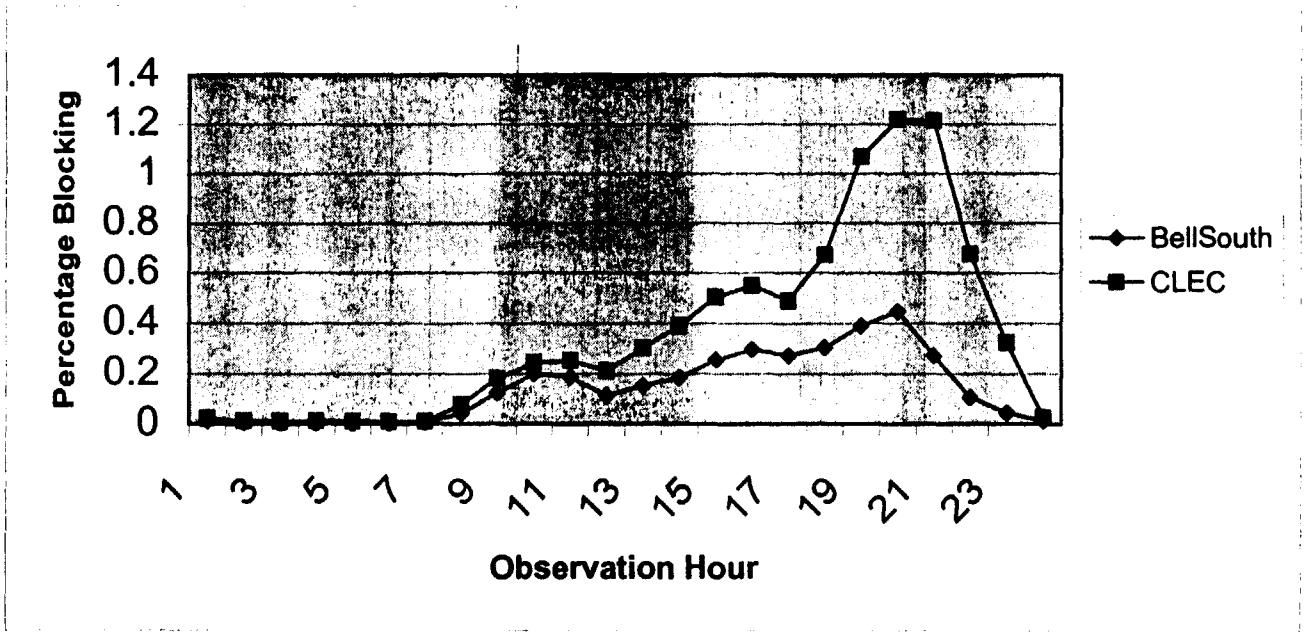
Alabama (12/21/98 - 01/17/99) (NEW Data)



Average percent of blocking during each observation hour over the monthly reporting cycle

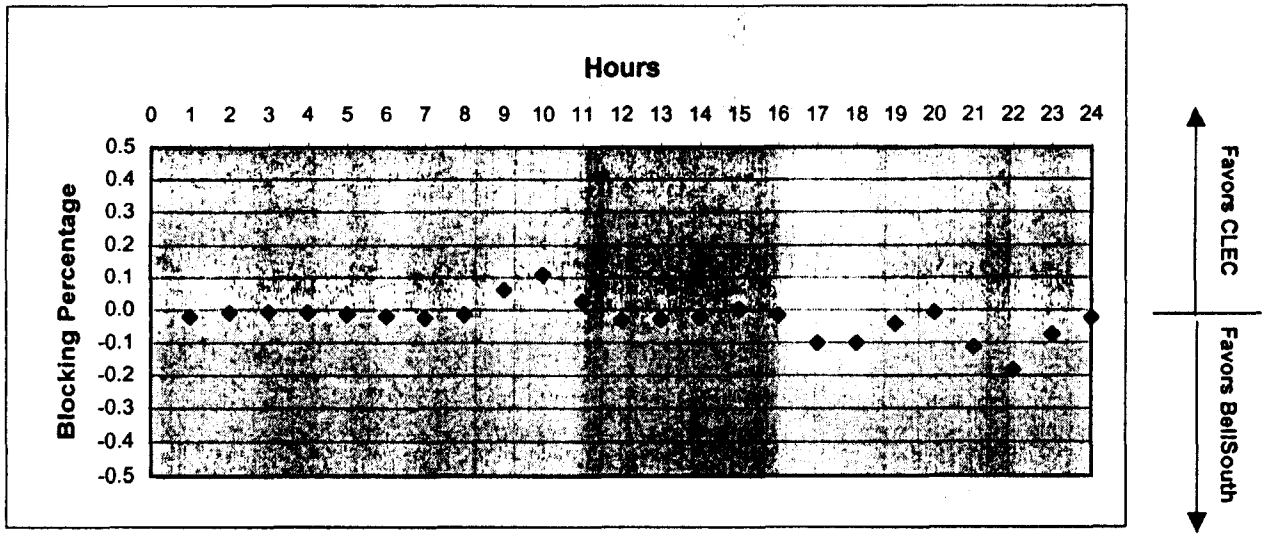
Weighted Average Trunk Blocking

Kentucky (12/21/98 - 01/17/99)



Average percent of blocking during each observation hour over the monthly reporting cycle

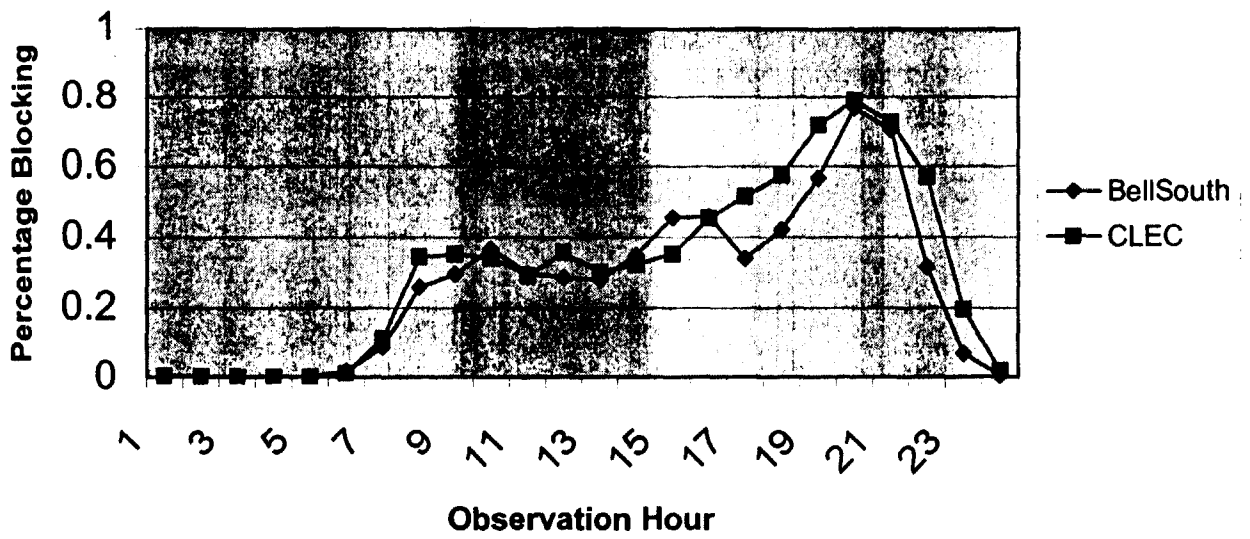
Differential of Weighted Average Trunk Blocking: Alabama



The points below the zero line indicates where CLEC blocking is higher than BellSouth's.

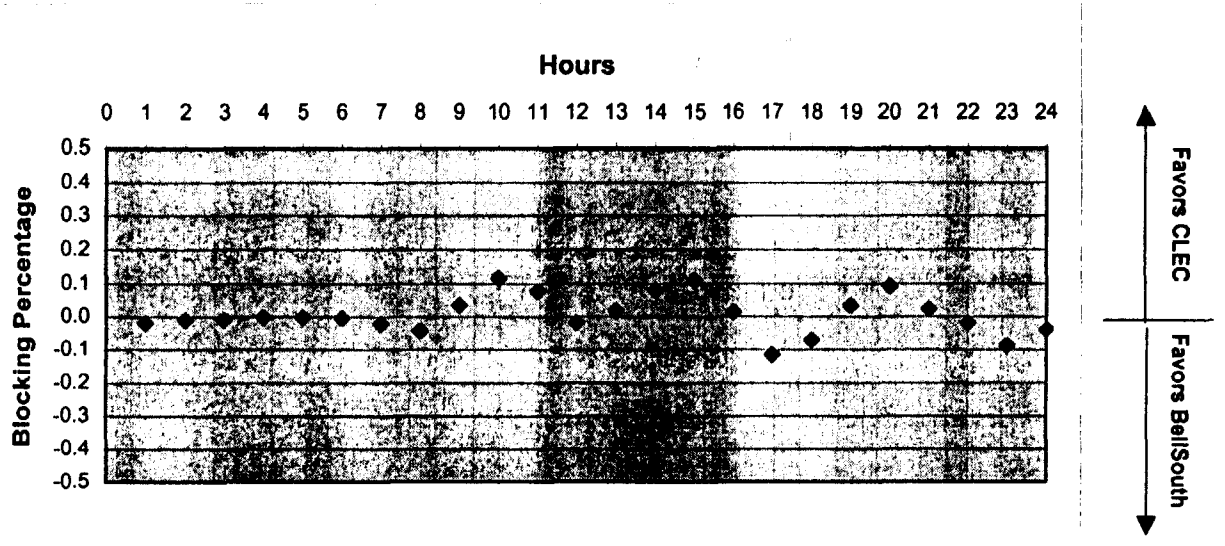
Weighted Average Trunk Blocking

Louisiana (12/21/98 - 01/17/99)



Average percent of blocking during each observation hour over the monthly reporting cycle

Differential of Weighted Average Trunk Blocking: Georgia



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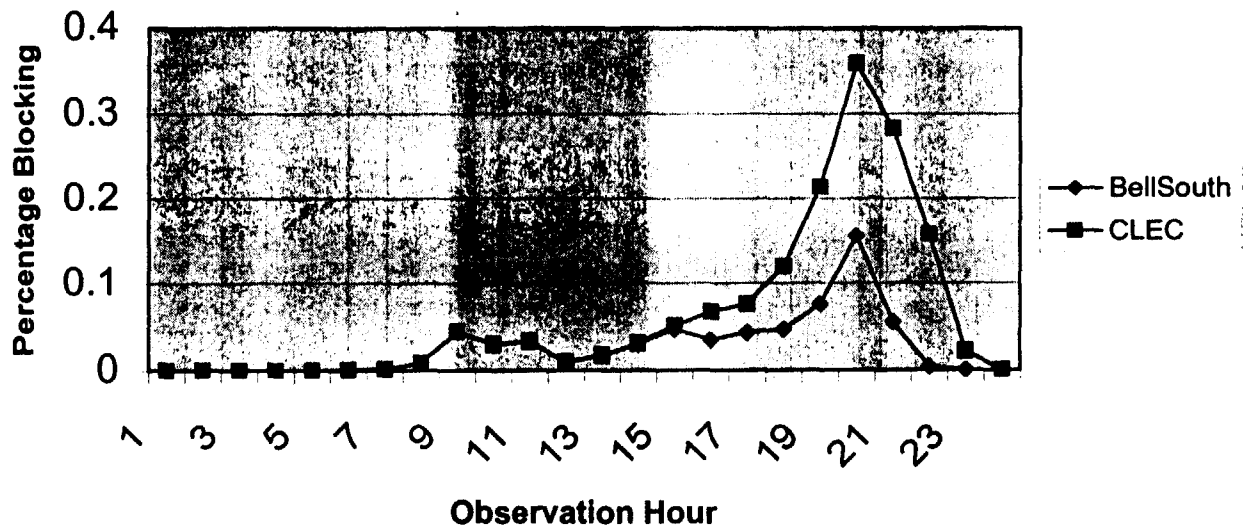
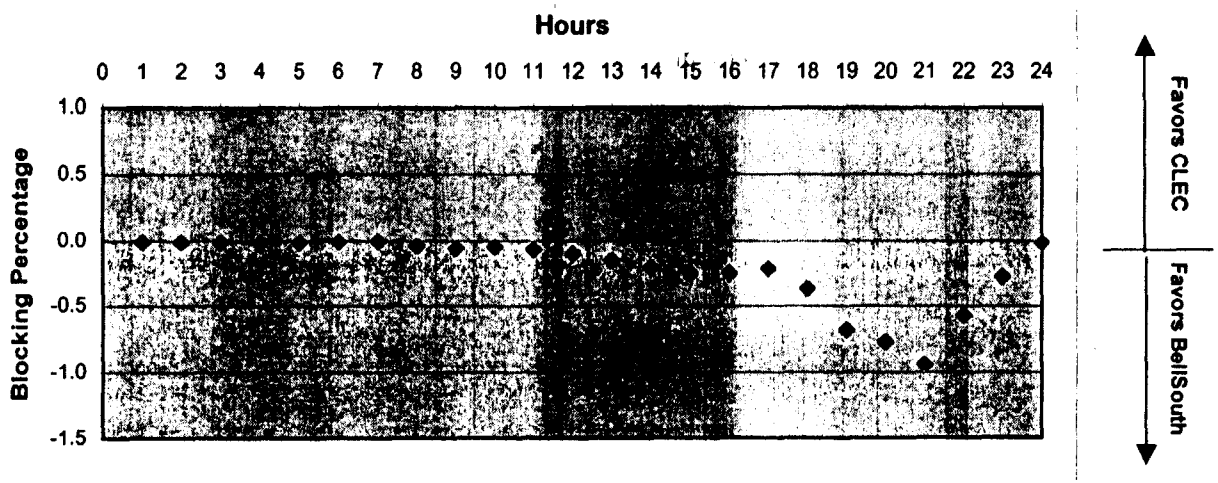
Weighted Average Trunk Blocking

Mississippi (12/21/98 - 01/17/99)



Average percent of blocking during each observation hour over the monthly reporting cycle

Differential of Weighted Average Trunk Blocking: Kentucky



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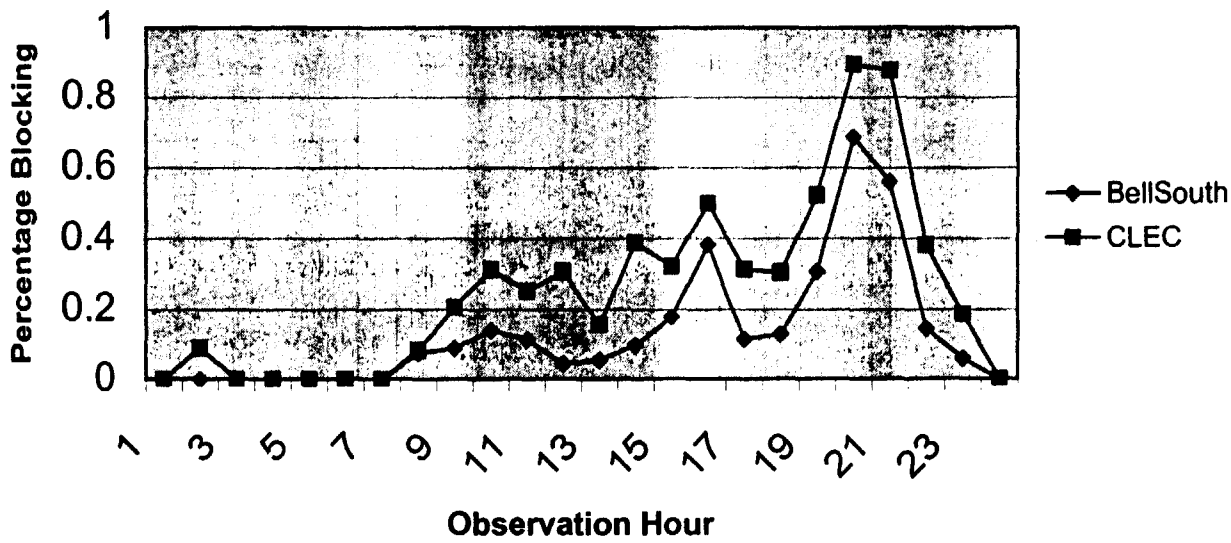
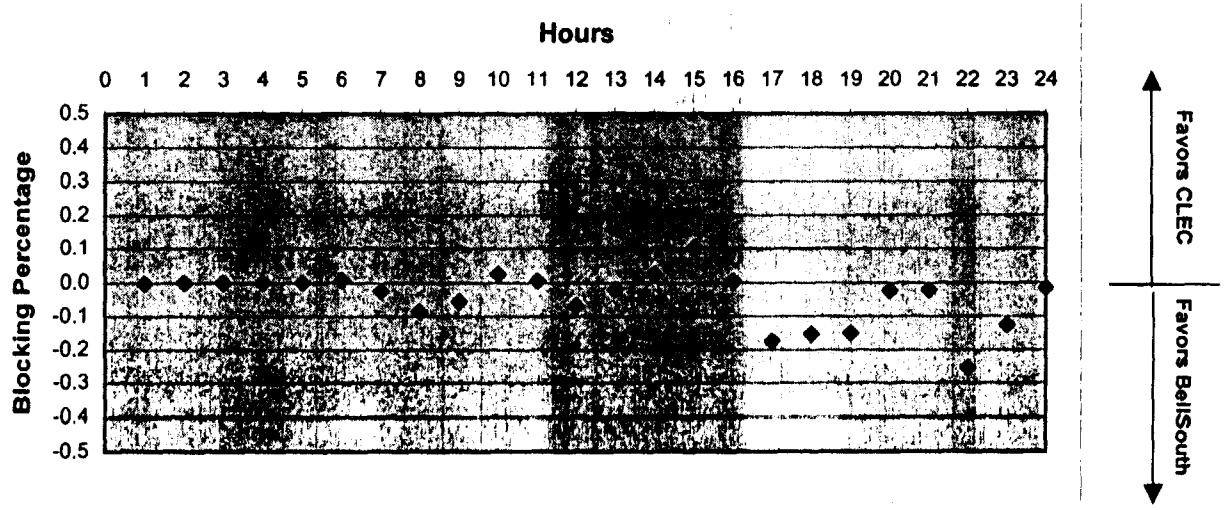
Weighted Average Trunk Blocking

North Carolina (12/21/98 - 01/17/99)



Average percent of blocking during each observation hour over the monthly reporting cycle

Differential of Weighted Average Trunk Blocking: Louisiana



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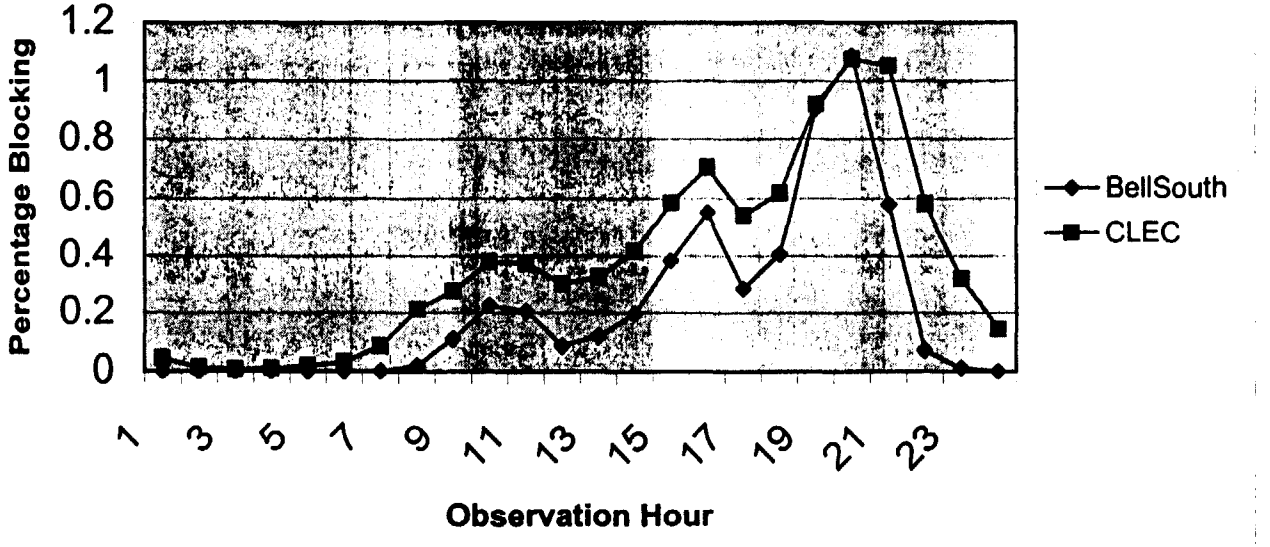
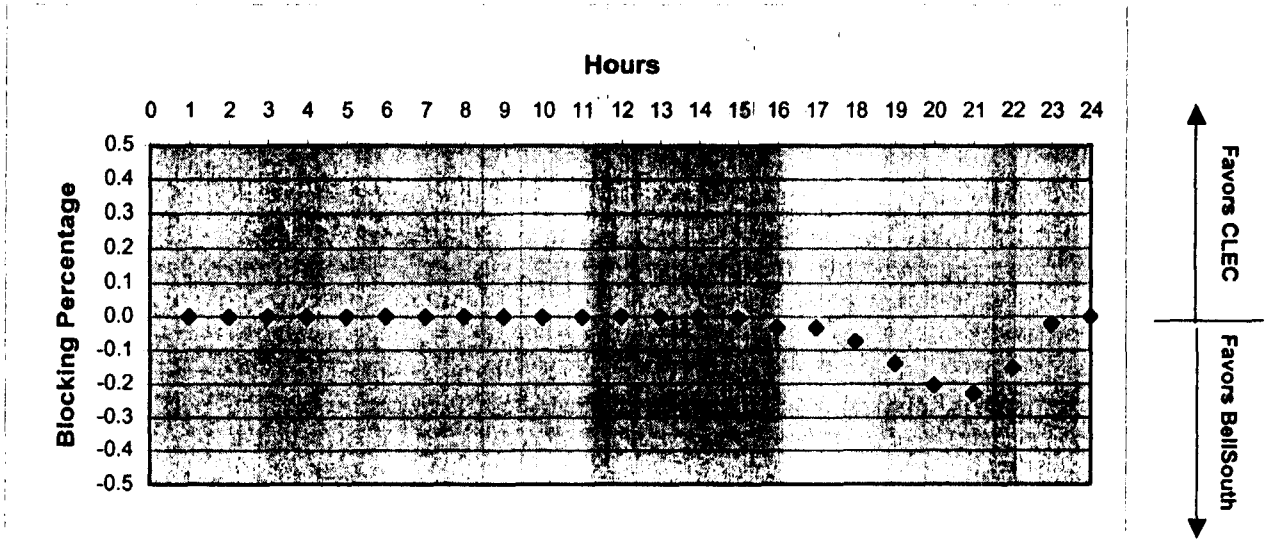
Weighted Average Trunk Blocking

North Florida (12/21/98 - 01/17/99)



Average percent of blocking during each observation hour over the monthly reporting cycle

Differential of Weighted Average Trunk Blocking: Mississippi



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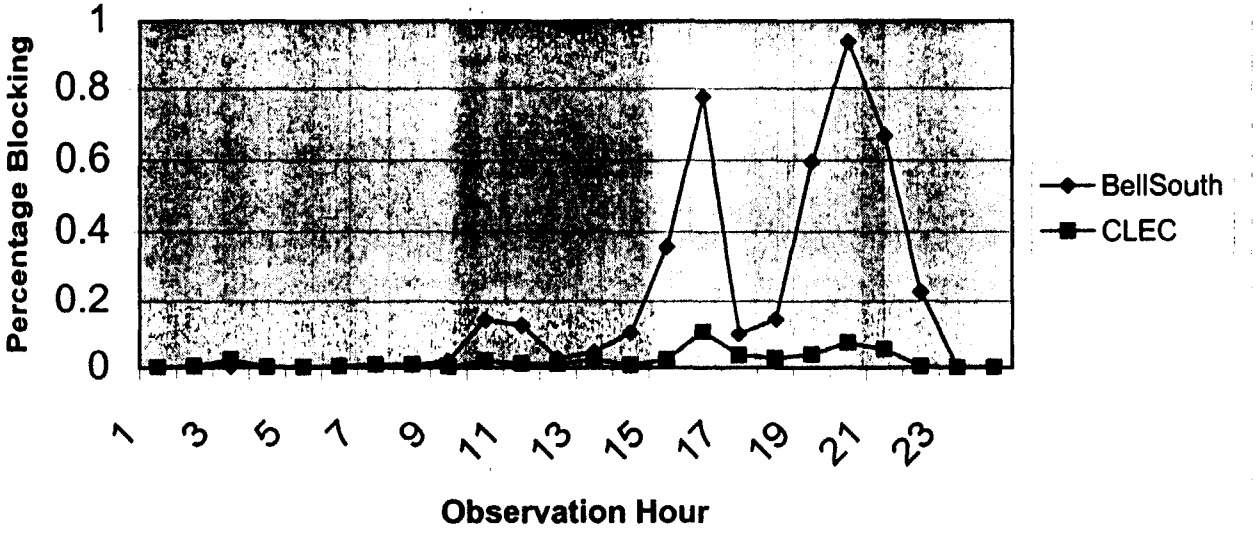
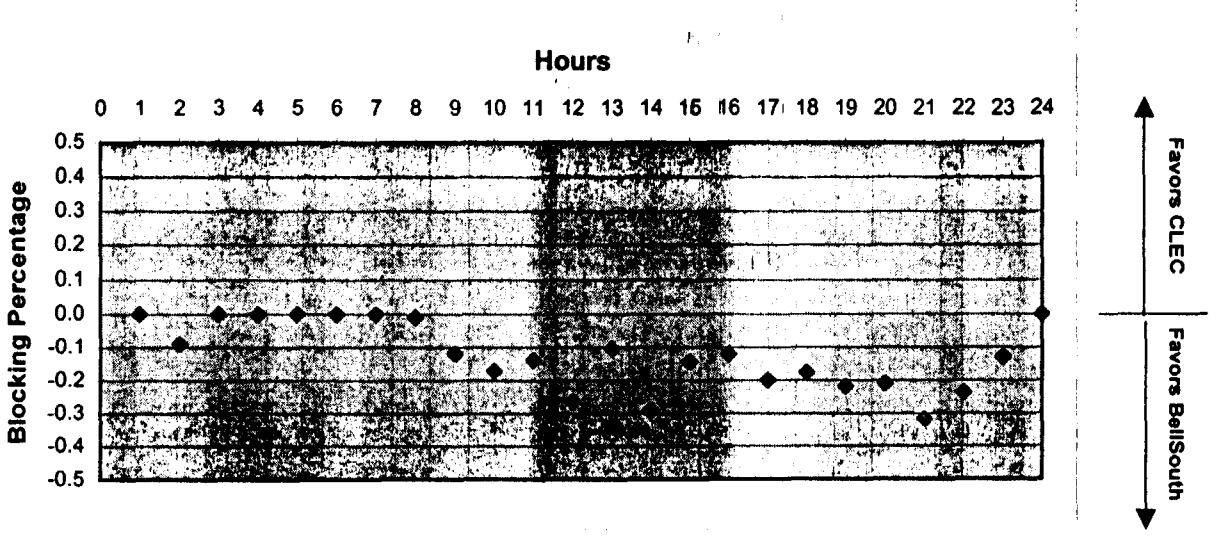
Weighted Average Trunk Blocking

South Carolina (12/21/98 - 01/17/99)



Average percent of blocking during each observation hour over the monthly reporting cycle

Differential of Weighted Average Trunk Blocking: North Carolina



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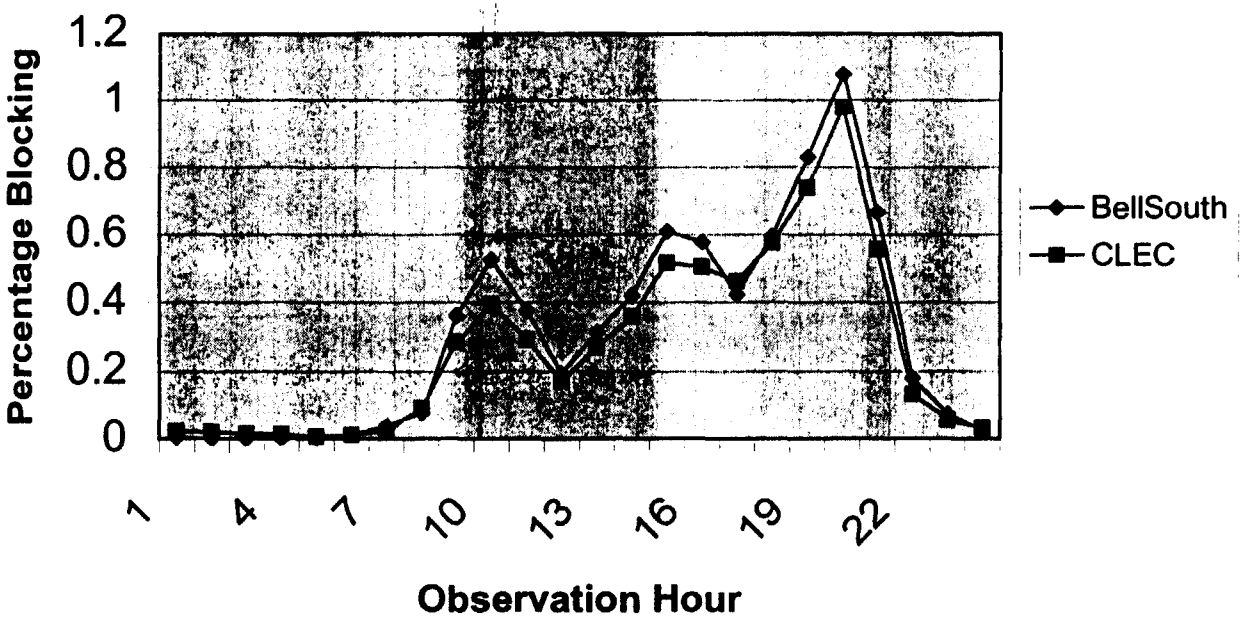
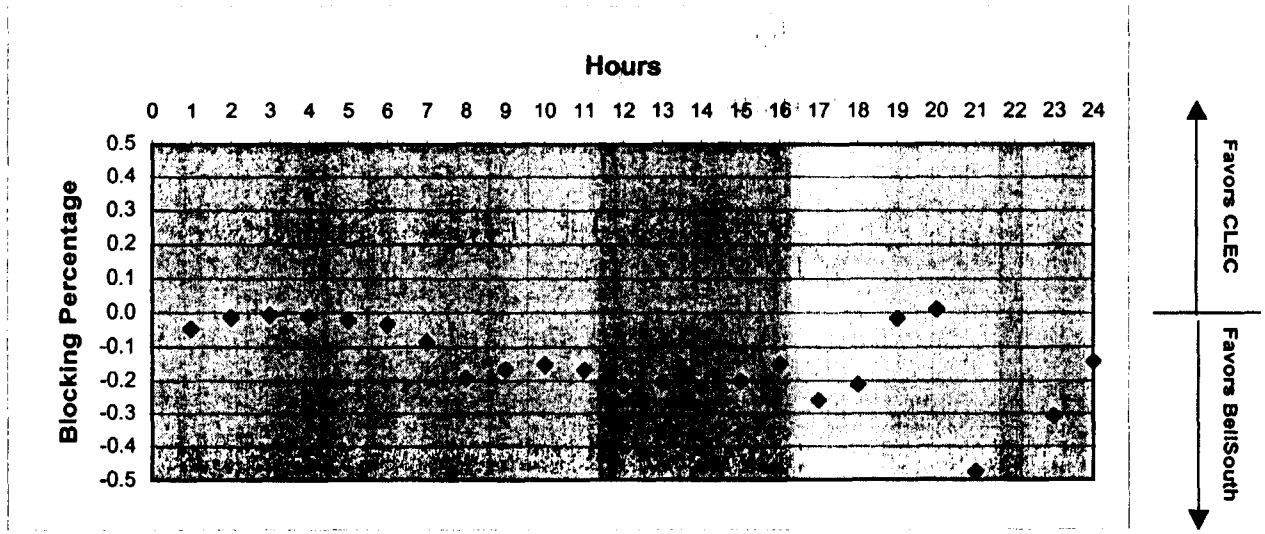
Weighted Average Trunk Blocking

Tennessee (12/21/98 - 01/17/99)



Average percent of blocking during each observation hour over the monthly reporting cycle

Differential of Weighted Average Trunk Blocking: North Florida



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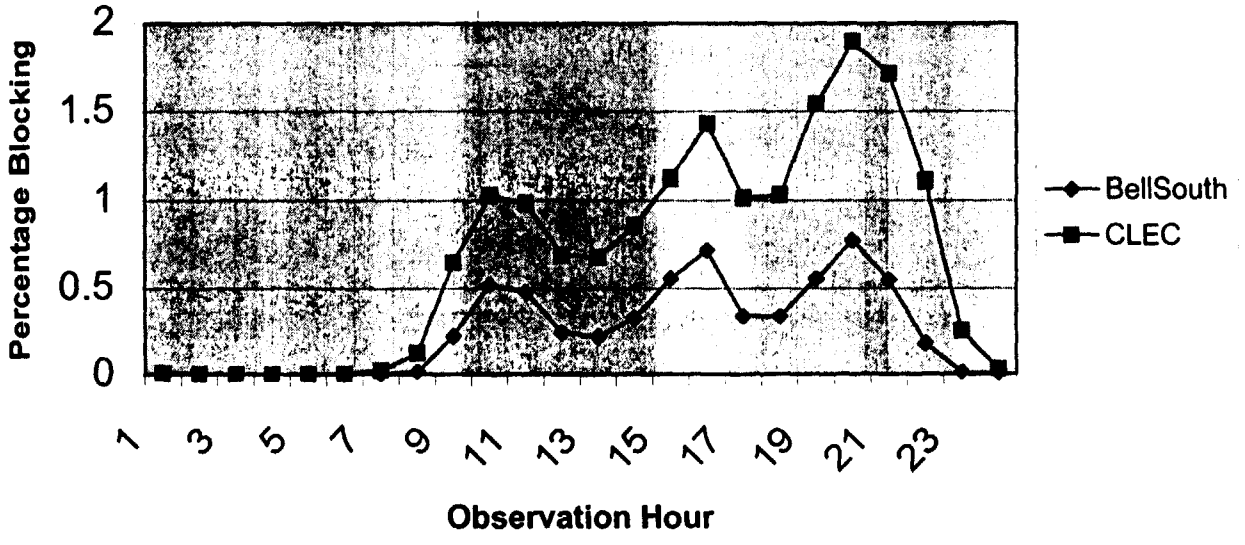
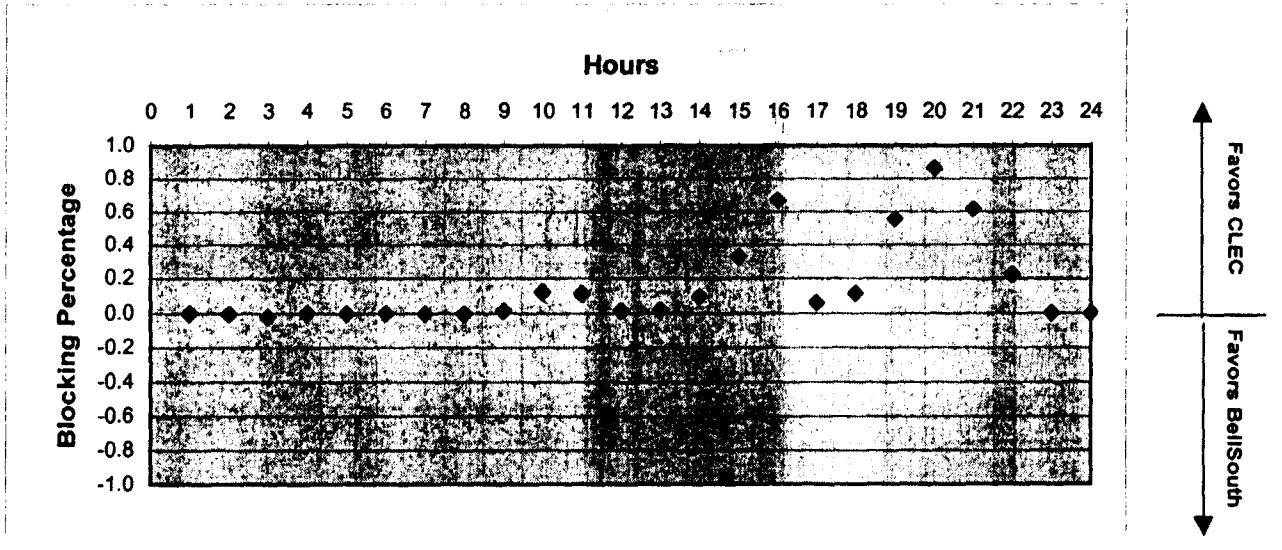
Weighted Average Trunk Blocking

South Florida (12/21/98 - 01/17/99)



Average percent of blocking during each observation hour over the monthly reporting cycle

Differential of Weighted Average Trunk Blocking: South Carolina



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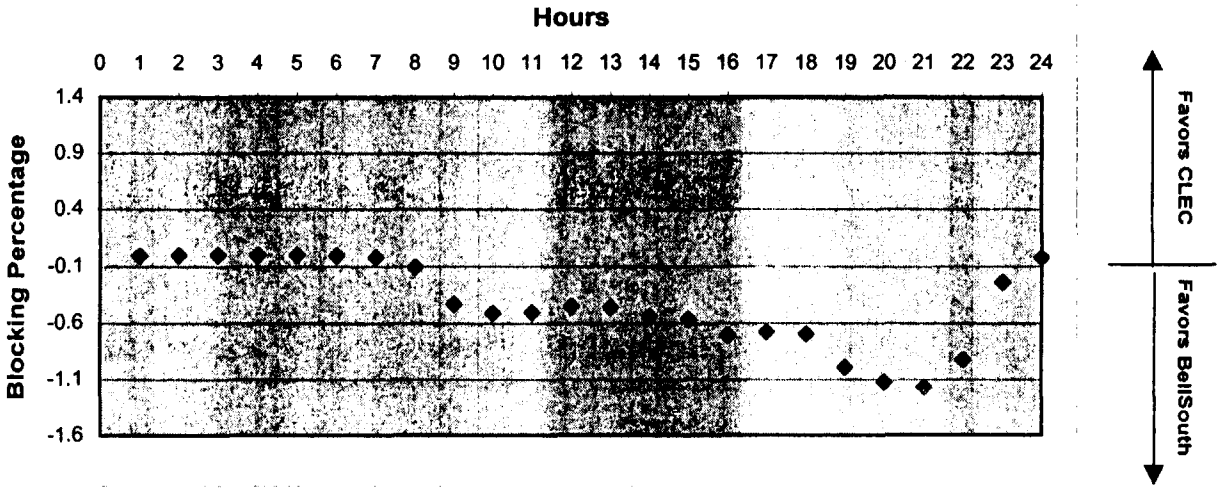
Differential of Weighted Average Trunk Blocking: South Florida



The points below the zero line indicates where CLEC blocking is higher than BellSouth's.